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Caprio: R.I. protected from recent collapses



PROVIDENCE – Rhode Island General Treasurer Frank Caprio said last week that he has taken steps to ensure that the State of Rhode Island is protected from recent collapses in the financial-services industry.

"It is important to note that the state of Rhode Island currently does not have any exposure to Lehman, Merrill Lynch or Bear Stearns at this time," Caprio said. "The state's major concern is to have good execution on any transactions underwritten by an investment bank."

State agencies do, however, have \$131 million in bond money currently in accounts managed by ailing insurance giant American International Group. The Federal Reserve has agreed to an \$85 billion bailout that would give the government an ownership stake.

State officials last week formed a financial "SWAT team" to quickly respond to any problems involving state funds.

In early March 2007, through a competitive bid process, Treasurer Caprio expanded the qualified pool of investment banks to underwrite the state's bond transactions.

Caprio said that in the past several months and for the foreseeable future, the state will name a co-senior managing underwriter on any state issues.